

TOURISM ASSESSMENT PROGRAM

Passing the assessment fee to customers

FREQUENTLY ASKED QUESTIONS

Can the assessment fee be passed to customers?

Yes, the Tourism Assessment Fee can be passed to customers. The Tourism Marketing Act (Government Code: 13995.65 (f)) allows any assessed business to pass on some or all of the assessment to customers. Choosing to pass the assessment on to customers is a business decision.

How do I set up collection of the fee?

How the collection of the fee is implemented – whether it is itemized on a receipt, or disclosed to customers – can be determined by each assessed business independently. If you are interested in collecting the assessment fee from customers, work with your accounting or point of sale supplier to determine what options are available. Though you are not required to disclose the collection of the assessment fee to consumers, if it is itemized, you are required to report and remit the amount collected to the Office of Tourism. You should consult legal and tax professionals so that you are able to best understand the legal and tax implications which might apply to your business.

What rate should I use to collect from customers?

An assessed business is allowed, if they so choose, to pass some or all of the assessment to customers. Each business determines the amount to collect, if any, but the following information can be helpful: number of rooms, price of a room night, annual occupancy, average check total, and the assessment rates:

Current Tourism Assessment rates are:

Accommodations:	\$1,950 per gross \$1 million (.00195)
Restaurant & Retail:	\$975 per gross \$1 million (.000975)
Attractions & Recreation:	\$975 per gross \$1 million (.000975)
Transportation & Travel Services:	\$975 per gross \$1 million (.000975)
Passenger Car Rental:	3.5% of monthly revenue

Assessment Calculation: **Gross Revenue x Tourism Percentage x Assessment Rate = Assessment Fee**

Can the assessment be collected from all customers?

The Tourism Assessment Fee is not a tax. If the decision to collect the assessment fee is made, except as set forth below, all revenue from customers is assessable. By way of example without limitation:

- **Tax-Exempt Customers or Corporate Contract Customers:** Revenue earned from customers who are tax-exempt or part of a corporate contract is subject to the assessment.
- **Long-Term Rental Revenue:** Revenue earned from renting a room, canoe, houseboat, etc. for 31 consecutive days or more is not subject to the assessment. Long-term rental revenue must be reported as part of total revenue, but can be excluded from reported tourism percentage.

For additional information,
contact the Office of Tourism at
assessment@tourism.ca.gov
or 916-322-1266





TOURISM ASSESSMENT PROGRAM

Passing the assessment fee to customers

TOURISM ASSESSMENT PROGRAM

Passing the assessment fee to customers